

Mississippi State Tax Commission

Procedures and Specifications for Filing Wage And Tax Information by Means of Magnetic Media (No Internet Filing)

The Mississippi State Tax Commission requires certain W2 and 1099 information to be filed by means of magnetic media or electronically. This authority is found in Code Section 27-3-83 and in [Revenue Rule 4](#). A penalty of five dollars (\$5.00) can be assessed for each W-2, W-2G, 1099, etc not in compliance with the requirements below, with a minimum assessment being two hundred fifty dollars (\$250.00).

WHO MUST FILE VIA MAGNETIC MEDIA

A person or entity is required to file wage statements or information returns on magnetic media with the Mississippi State Tax Commission if **ANY** of the following conditions apply:

1. Taxpayer is required to file wage statements, W-2Gs or information returns via magnetic media with the federal government, regardless of the total number of Mississippi statements,
2. Employer filing 100 or more W-2s,
3. Taxpayer has 100 or more 1099s to be submitted,
4. Employer missed the January 31 due date for filing paper W-2s,
5. Taxpayer used a single payroll service provider for the entire calendar year,
6. An employee leasing company provided personnel to any business within Mississippi.

PROCEDURES FOR MAGNETIC MEDIA REPORTING

There are 3 formats in which Mississippi can accept your magnetic media reporting of W-2s.

1. Use your existing payroll software to create the W2REPORT file in the EFW2 format. The vast majority of payroll software in use these days will create this file. You may need to contact your software vendor to see if yours already has the capability or if it can be added. Make sure the file contains the "RS" record, because it is where the State withholding data is located. Your software must comply with the specifications contained in SSA Publication EFW2 for record format and record specifications for W-2s. If you are the user of third-party software that creates this file then you need not be concerned with the specifications for the layout, but it can be viewed or downloaded at <http://www.ssa.gov/employer/08EFW2.pdf>

2. Complete the downloadable Excel Worksheet W2REPORT-08.xls. It is available at <http://www.mstc.state.ms.us/taxareas/withhold/main.htm>. To download put the mouse cursor on top of the W2REPORT-08.xls link and right click the mouse and use the "Save Target As..." function to save a copy to your local drive. Once you have completed the worksheet, copy it to a diskette and send it to the address listed on the 89-140. If you are using an unprotected copy of this file do not make any changes to the structure, columns, etc.. **DO NOT** overwrite any formula or Add/Delete any Columns/Rows. Programs other than Excel may read the file and allow its completion. It must be saved in the .xls file format for us to read and extract the data.

3. New This Year - QuickBooks file "**Annual W-2 Summary**" - Users may submit a file created by QuickBooks that will satisfy our requirement of filing W-2's on magnetic media, **but only if all employee wages are Mississippi wages**. For the year 2008, we are requesting a different Excel format than was requested in 2007. Only QuickBooks versions 2007 and newer will be able to produce this file. If you have an older version you must not use this option. The instructions are as follows: From the Employee menu select "Payroll Tax Forms and W2s". Then select "Tax Form Worksheets in Excel". Click the "Enable Macros" button. This takes the user to the screen where you will click on "Annual W-2/W-3" then select "Last Year" but make sure the period is from 1/1/2008 to 12/31/2008. Click on "Refresh from QuickBooks", and then click on "Create Report". Contact QuickBooks if you have any questions on how to create the file. After the file is created copy the file onto a CD, label the CD and mail with the Form 89-140. Visit <http://www.mstc.state.ms.us/taxareas/withhold/main.htm> for any updated instructions.

Please refer to SSA Publication EFW2C for W-2C's; this publication is located at <http://www.ssa.gov/employer/08EFW2c.pdf> and IRS Pub. 1220 for W-2Gs and 1099s is located at <http://www.irs.gov/pub/irs-pdf/p1220.pdf>.

The specifications and procedures described in these instructions must be followed for the State Tax Commission to accept your W-2, W-2G and 1099 information filed electronically. Failure to comply with these specifications can result in your magnetic media being returned to you unprocessed and penalties being assessed. Each submitted magnetic media must be accompanied by a properly completed Form 89-140 the Mississippi Annual Information Return.

- Form 89-140 requires totals of various fields from the accompanying W-2s, W-2Gs or 1099s

- If there are 1099s with Mississippi withholding which were paid under the taxpayers FEIN used for wage reporting, then those 1099s should be included in the 89-140 used for reporting employee wages. An alternative method is using a separate 89-140 to report the 1099s with Mississippi withholding. The 1099s without Mississippi withholding would be reported separately. There is a new check box on the Form 89-140 to check off when the company has elected to file its 1099s using the Combined Federal/State Filing (CF/SF) Program. Only 1099s without Mississippi withholding can be reported under this program.

- Each withholding tax account (employer record) on magnetic media must contain a single "RE" record. Multiple "RE" records result in subtotals of the Mississippi income tax withheld rather than a single total as is required. This applies to accounts which have multiple locations. All locations reported under a particular Mississippi withholding tax account number must be represented by a single "RE" record.

- If multiple, CDs or diskettes are submitted, each media must begin with an "RE" record.

- If there are multiple withholding accounts (employer records) included on one magnetic media submission, then each must be separated according to the directions on the EFW2 and each withholding account within the media must submit a separate Form 89-140.

- Both the employer and the submitters name, address and phone number must be included on each 89-140. Under no circumstance should the Form 89-140 and the magnetic media be sent under separate cover.

- Processed magnetic media will not be returned.

- If there are questions concerning the filing of wage and tax information by means of magnetic media, please call the Withholding Tax Division at (601) 923-7088.

- If needed zip a file to keep it on one diskette, but never zip to a CD.

Mail your magnetic media and your completed Form(s) 89-140 to either of the following addresses:

Mississippi State Tax Comm. OR
Withholding Tax Division
P.O. Box 960
Jackson, MS 39205-0960

Mississippi State Tax Comm.
Withholding Tax Division
1577 Springridge Road
Raymond, MS 39154-9452

W-2 Diskette/CD Specifications

DISKETTE and CD:

- Diskette must be 3-1/2" MS-DOS compatible.
- Data must be in ASCII-1 character set.
- File must be named **W2REPORT** or **MS1099**.
- **File name MAY contain an extension of .TXT, unless it's an Excel file then it Must be .xls.**
- Using another file name will complicate the reading of the data.
- The media must contain only one **W2REPORT** or **MS1099**.
- The **W2REPORT** file may contain multiple withholding accounts (employer records) as allowed by the SSA.
- Diskettes and CDs are structured in the same manner.
- All media must be virus scanned before submission.
- Please Zip a file to fit it to one disk if it would take more than one.
- Do not Zip a file on a CD.

Information required on a Diskette or CD Label

Tax Year:
Type of Filing:
FEIN of Employer (if single WH account):
Name of Employer or Remitter:
Contact Person:
Contact Phone Number:
Address:
Number of Accounts included:
Total Number of W-2s or 1099s: _____
Disk __ of __ (But Please Zip To 1 If Possible)
Is this the *Original* or a *Correction* filing?

**Mississippi is no longer accepting 3480/3490 Cartridges,
nor any form of Tape (reel, 4 or 8 mm).**

Record Layout and Content

W-2 layout:

The Mississippi State Tax Commission reads the "RA", "RE", "RW", "RS", "RT", and "RF" records. The new "RV" record will not be read this year, thus it need not be included. Your software must comply with the specifications contained in SSA Publication EFW2 for record format and record specifications for W-2s. **Please check to make sure your software is including the "RS28" in the W2REPORT file.** We have received numerous filings that did not contain this line of data and it is the line that contains the Mississippi wages and withholding data. It can be viewed using such programs as Microsoft WordPad that comes with Windows.

W-2C layout:

The file layout as used for federal reporting should be used. It can be found at <http://www.ssa.gov/employer/08EFW2c.pdf>

1099 layout:

The layouts for the various 1099s are the same as described in the Federal Publication 1220.